

AGRICULTURE, TRADE AND CONSUMER PROTECTION

Budget Summary							
Fund	2002-03 Base Year Doubled	2003-05 Governor	2003-05 Jt. Finance	2003-05 Legislature	2003-05 Act 33	Act 33 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$56,767,600	\$52,240,000	\$55,147,300	\$55,147,300	\$53,147,300	-\$3,620,300	- 6.4%
FED	14,285,400	11,595,400	11,587,800	11,587,800	11,587,800	- 2,697,600	- 18.9
PR	41,862,600	42,000,400	45,244,600	45,244,600	43,244,600	1,382,000	3.3
SEG	<u>39,365,200</u>	<u>39,968,600</u>	<u>38,987,200</u>	<u>38,987,200</u>	<u>38,987,200</u>	<u>- 378,000</u>	- 0.9
TOTAL	\$152,280,800	\$145,804,400	\$150,966,900	\$150,966,900	\$146,966,900	-\$5,313,900	- 3.5%
BR		\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000		

FTE Position Summary						
Fund	2002-03 Base	2004-05 Governor	2004-05 Jt. Finance	2004-05 Legislature	2004-05 Act 33	Act 33 Change Over 2002-03 Base
GPR	260.33	205.88	236.73	236.73	236.73	- 23.60
FED	70.52	67.02	67.02	67.02	67.02	- 3.50
PR	227.40	203.92	211.07	211.07	211.07	- 16.33
SEG	<u>91.22</u>	<u>88.12</u>	<u>89.12</u>	<u>89.12</u>	<u>89.12</u>	<u>- 2.10</u>
TOTAL	649.47	564.94	603.94	603.94	603.94	- 45.53

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR-REV	\$0		\$16,200		\$16,200	
GPR	-\$41,800	- 4.75	-\$21,400	0.00	-\$63,200	- 4.75
FED	42,000	0.75	- 7,600	0.00	34,400	0.75
PR	687,400	6.00	- 12,000	0.00	675,400	6.00
SEG	<u>853,600</u>	<u>0.00</u>	<u>- 4,200</u>	<u>0.00</u>	<u>849,400</u>	<u>0.00</u>
Total	\$1,541,200	2.00	-\$45,200	0.00	\$1,496,000	2.00

Governor: Provide \$770,600 and 2.0 positions annually for adjustments to the base budget for: (a) turnover reduction (-\$237,900 GPR, -\$54,700 FED and -\$109,600 PR); (b) removal

of noncontinuing items (-\$312,500 GPR and -1.5 FED positions); (c) full funding of salaries and fringe benefits (\$516,400 GPR, -\$69,100 FED, \$361,700 PR and \$421,100 SEG); (d) funding of December, 2002 s. 13.10 ongoing authorization related to across the board budget reduction allocations and CWD funding (-4.75 GPR positions, \$141,000 FED and 2.25 FED positions, and \$85,000 PR and 6.0 PR positions); (e) reclassifications (\$2,400 GPR, \$600 PR and \$3,600 SEG) and (f) fifth vacation week as cash for certain long-term employees (\$10,700 GPR, \$3,800 FED, \$6,000 PR and \$2,100 SEG).

Joint Finance/Legislature: Delete funding for fifth week of vacation as cash (-\$10,700 GPR, -\$3,800 FED, -\$6,000 PR and -\$2,100 SEG annually). Require the agency to lapse to the general fund in 2003-04 a total of \$8,100 annually from those PR and SEG accounts of funds from which these fifth week of vacation as cash payments had been budgeted. Estimate GPR-REV of \$16,200.

[Act 33 Section: 9160(3f)]

2. BASE BUDGET REDUCTIONS

Governor/Legislature: Delete \$890,800 annually and 9.5 positions from the following GPR state operations appropriations. This represents a 5.4% GPR base state operations reduction, excluding debt service (and excluding the transfer of consumer protection functions described separately).

Funding Positions		
GPR	- \$1,781,600	- 9.50
SEG	274,400	1.50
Total	- \$1,507,200	- 8.00

	Position Reduction	Annual Reduction Amount	Reduction as % of Base
Grain warehouse keepers and dealers	2.0	\$173,400	100.0%
Marketing services	1.0	169,400	8.9
Land and water resource management	1.0	85,700	5.4
Food safety	2.5	128,500	4.9
Central administrative services	2.0	142,100	3.0
Trade and consumer protection	0.5	50,400	1.8
Meat inspection	0.5	21,300	0.7
Rent reductions	—	<u>120,000</u>	--
Total	9.5	\$890,800	

The \$120,000 in rent reductions consists of annual reductions from food safety and consumer protection (\$23,100), animal health services (\$15,200), marketing services (\$21,600), agricultural resource management (\$12,400) and central administrative services (\$47,700).

In addition, provide \$137,200 SEG annually and 1.5 SEG positions to transfer 1.0 grain and warehouse keepers and dealers position and 0.5 trade and consumer protection position from GPR to SEG. The source of the SEG would be the Agricultural Producer Security fund, which collects revenues from a variety of grain, milk and vegetable dealer and contractor fees.

3. PAYMENTS TO ETHANOL PRODUCERS [LFB Paper 135]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Veto (Chg. to Leg)	Net Change
GPR	-\$2,090,000	\$2,000,000	-\$2,000,000	-\$2,090,000
PR	<u>0</u>	<u>2,000,000</u>	<u>-2,000,000</u>	<u>0</u>
Total	-\$2,090,000	\$4,000,000	-\$4,000,000	-\$2,090,000

Governor: Delete \$1,045,000 GPR annually for grants to ethanol producers.

Joint Finance/Legislature: Restore \$1,000,000 GPR annually and provide an additional \$1,000,000 tribal gaming PR annually for grants to ethanol producers. A total of \$3,900,000 annually would be available for ethanol producer grants (\$2,900,000 tribal gaming PR and \$1,000,000 GPR). This represents a 32% increase to the \$2,945,000 in base level funding available in 2002-03.

The ethanol producer grant program provides ethanol producers who produce more than 10 million gallons of ethanol in a year with a 20¢ per gallon grant for every gallon of ethanol produced (for a maximum of 15 million gallons, or a \$3 million annual grant). If funds are insufficient to provide grants for all eligible producers, DATCP pro-rates available funds according to total ethanol produced. This program sunsets on June 30, 2006.

Veto by Governor [B-3]: Delete \$2,000,000 annually (\$1,000,000 GPR and \$1,000,000 PR-tribal gaming) by reducing the 2003-04 and 2004-05 appropriation amounts of \$1,000,000 GPR to \$0 and by deleting the 2003-04 and 2004-05 appropriation amounts of \$2,900,000 PR-tribal gaming and writing in the lower amount of \$1,900,000 in each year. A total of \$1.9 million PR tribal-gaming annually is available for ethanol producer grants under the Act.

[Act 33 Vetoed Sections: 286 (as it relates to s. 20.115(1)(d)&(k))]

4. AIDS TO COUNTY AND DISTRICT FAIRS [LFB Paper 150]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	-\$1,111,400	\$639,200	-\$472,200

Governor: Delete \$555,700 GPR annually to eliminate funding for aids to county and district fairs. These aids are provided to counties and agricultural societies, associations or boards and to incorporated dairy or livestock associations (not to exceed \$15,000 per year), and primarily support premiums given to top finishers who show animals, produce or other products at the fairs.

Joint Finance/Legislature: Modify the Governor's recommendation to provide \$389,200 GPR in 2003-04 and \$250,000 GPR in 2004-05 for aids to county and district fairs. Specify that

DATCP provide aid for up to 50% of junior premiums awarded per fair, not to exceed \$10,000 per fair.

[Act 33 Section: 1739g]

5. LOCAL AID FUNDING

GPR	- \$132,800
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Governor: Eliminate base funding for the following grant programs:

<u>Grant Program</u>	<u>Annual Base Funding Deleted</u>
Wisconsin Livestock Breeders Association	\$38,000
World Dairy Expo	23,700
Farmers' tuition assistance grants	<u>4,700</u>
Total	\$66,400

The Wisconsin Livestock Breeders Association used the funding provided it by DATCP in 2002-03 to conduct junior livestock shows, and to conduct livestock educational programs. Annual grants are currently provided to World Dairy Expo, Inc. for activities that expand business opportunities in the Wisconsin dairy industry. Farmers' tuition assistance grants provide low-income farmers reimbursement of tuition costs for farm and business management technique courses offered by a technical college.

Joint Finance/Legislature: Transfer \$23,700 GPR annually from the Dane County exposition center grant appropriation to the aids to World Dairy Expo, Inc., appropriation to restore base level funding.

Beginning in fiscal year 1994-95, DATCP is provided \$240,000 annually to assist Dane County in paying for the expansion of and ongoing costs of operating an exposition center (the Alliant Energy Center) and for the costs of hosting the World Dairy Expo (the grant has been provided primarily to offset a portion of the debt service costs on the 1995 facility expansion). The provision reduces annual funding by approximately 10%, to \$216,300 GPR. The modifications are shown in the table below.

<u>Grant Program</u>	<u>Annual Funding Provided</u>	
	<u>Governor</u>	<u>Jt. Finance</u>
Wisconsin Livestock Breeders Association	\$0	\$0
World Dairy Expo	0	23,700
Farmers' tuition assistance grants	0	0
Dane County exposition center grant	<u>240,000</u>	<u>216,300</u>
Total	\$240,000	\$240,000

6. CHRONIC WASTING DISEASE CONTROL [LFB Paper 151]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$700,000	5.00	- \$288,600	- 1.00	\$411,400	4.00
PR	0	0.00	45,600	1.00	45,600	1.00
Total	\$700,000	5.00	- \$243,000	0.00	\$457,000	5.00

Governor: Provide \$350,000 GPR annually and transfer 5.0 animal health positions from PR to GPR. These positions, which include 1.0 field supervisor and 4.0 animal health inspectors, were created in the December, 2002, s. 13.10 meeting and funded from \$500,000 in one-time wildlife damage (fish and wildlife) SEG transferred from the Department of Natural Resources (DNR) to the Department of Agriculture, Trade and Consumer Protection (DATCP) for chronic wasting disease management. The bill would transfer these positions to GPR on an ongoing basis. The \$350,000 in annual funding includes \$118,900 for salaries, \$49,900 for fringe benefits and \$181,200 for supplies and services.

Animal health inspectors monitor and inspect game farms and serve as the initial information gatherers for possible state and federal animal health law violations. In addition to these five staff, a compliance investigator and a federal field veterinarian were also provided in December, 2002, under s. 13.10 and are continued under standard budget adjustments, bringing total CWD related staffing in DATCP to seven.

Joint Finance/Legislature: Delete the Governor's recommendation. Instead, provide \$205,700 GPR and transfer 5.0 PR positions (1.0 field supervisor and 4.0 animal health inspectors) to GPR in 2003-04 and provide \$205,700 GPR and 4.0 GPR positions, and \$45,600 PR and 1.0 PR animal health inspector in 2004-05.

DATCP's animal health inspection, testing and enforcement PR appropriation is funded by animal market, dealer and trucker licenses and deer farm and aquaculture registrations. Fees deposited into this account include: animal health inspection fees, interstate health certificate fees, farm-raised deer registration fees, fish farm fees, livestock market fees, livestock dealer fees and livestock trucker fees. This PR appropriation account is projected to have a July 1, 2005, balance of approximately \$80,000.

7. DRAINAGE BOARD GRANTS

GPR	- \$550,000
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Governor/Legislature: Delete \$275,000 annually for drainage board grants. These grants assist drainage boards with up to 60% of the costs of compliance with drainage district rules and regulations. Grant funding of \$200,000 annually would remain.

8. CONSOLIDATION OF STATE AGENCY ATTORNEYS UNDER DOA [LFB Paper 105]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$349,400	- 5.50	\$349,400	5.50	\$0	0.00
SEG	0	- 1.00	0	1.00	0	0.00
Total	-\$349,400	- 6.50	\$349,400	6.50	\$0	0.00

Governor: Delete \$174,700 GPR annually with 5.5 GPR and 1.0 SEG attorney to reflect the consolidation of executive branch attorneys under DOA, effective the later of October 1, 2003, or the first day of the third month beginning after the bill is enacted. Reallocate \$339,800 GPR and \$91,400 SEG in 2003-04 and \$453,000 GPR and \$121,800 SEG in 2004-05 of remaining base level salary and fringe benefits funding that currently supports 4.5 attorney positions to the agency's supplies and services budget to pay for legal services supplied by DOA. The agency's chief counsel position would not be subject to transfer to DOA under the bill.

Joint Finance/Legislature: Delete provision. Direct the Secretary of DOA to delete 31.0 FTE executive branch agency attorney positions, other than attorney positions at the University of Wisconsin system, that are vacant on January 2, 2004, and lapse the associated budgeted non-FED salary and fringe benefits amounts to the general fund in 2003-04 and 2004-05. If fewer than 31.0 FTE attorney positions are vacant on January 2, 2004, authorize the Secretary of DOA to delete sufficient additional state agency attorney positions, other than at the University of Wisconsin System, to ensure the elimination of a total of 31.0 FTE state agency attorney positions. The additional fiscal effect of these positions' deletion requirements is reflected under "Administration -- Transfers to the Department."

Veto by Governor [D-2]: Delete all references to the word "attorney," so that the Secretary of DOA must eliminate 31.0 positions that are vacant as of January 2, 2004. Delete the exemption of the University of Wisconsin System, so that the only executive branch agencies that would be exempted from the position reductions are the Department of Employee Trust Funds and the Investment Board.

[Act 33 Section: 9101(9x)]

[Act 33 Vetoed Section: 9101(9x)]

9. TRANSFER CONSUMER PROTECTION FUNCTIONS [LFB Paper 156]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$4,812,800	- 39.70	\$2,890,800	26.35	-\$1,922,000	- 13.35
PR	- 702,800	- 6.15	702,800	6.15	0	0.00
Total	-\$5,515,600	- 45.85	\$3,593,600	32.50	-\$1,922,000	- 13.35

Governor: Effective on October 1, 2003, or on the first day of the third month beginning after publication, whichever is later, transfer most consumer protection functions to the Department of Justice (DOJ) Division of Legal and Regulatory Services. Delete \$2,369,800 GPR annually and 39.35 GPR positions from DATCP. Further, transfer \$283,500 PR and 5.5 PR positions annually from DATCP to DOJ for the administration and maintenance of the telephone solicitation (no-call) program. In addition, reduce the number of DATCP division administrators (which are unclassified positions) from 6 to 5 and delete the Division of Trade and Consumer Protection Administrator (0.35 GPR, 0.65 PR) position and \$104,500 (\$36,600 GPR, \$67,900 PR) annually.

The bill would also provide the Department of Justice \$1,408,800 GPR annually and 26.0 GPR positions for the administration and enforcement of most consumer protection functions. The bill does not identify the specific positions to be transferred, but rather specifies that DATCP and DOJ determine which former DATCP positions would be transferred to DOJ, and which would be new positions. If an agreement cannot be reached, the Secretary of Administration would resolve the disagreement. Provide that the incumbent DATCP employees who are transferred to DOJ maintain all their civil service and other employee rights held prior to transfer. Also, provide DOJ an additional \$155,000 GPR in 2003-04 for moving costs and supplies, and \$55,000 GPR in 2004-05 for supplies and services costs. The bill would result in a net reduction of \$1,921,000 (-\$1,785,200 GPR and -\$135,800 PR) for the biennium as shown in the following table.

	<u>2003-04</u>		<u>2004-05</u>		<u>Positions</u>	
	<u>GPR</u>	<u>PR</u>	<u>GPR</u>	<u>PR</u>	<u>GPR</u>	<u>PR</u>
DATCP	-\$2,406,400	-\$351,400	-\$2,406,400	-\$351,400	-39.70	-6.15
DOJ	<u>1,563,800</u>	<u>283,500</u>	<u>1,463,800</u>	<u>283,500</u>	<u>26.00</u>	<u>5.50</u>
Total	-\$842,600	-\$67,900	-\$942,600	-\$67,900	-13.70	-0.65

The following table details the position changes under the bill and identifies the position types in DATCP that are preliminarily designated for deletion or transfer. A net reduction of 14.35 positions would be realized. Under the 1996 transfer of most consumer protection functions to DATCP, DOJ retained 9.3 GPR positions. As a part of the base budget reductions being applied to DOJ under the bill, the Governor has expressed an intention to have approximately five GPR positions deleted from DOJ's consumer protection group.

<u>Position Titles</u>	<u>Eliminated DATCP</u>	<u>Created DOJ</u>	<u>Current DOJ</u>
Consumer Protection Positions			
Administrative Assistant			1.00
Attorney			4.80
Bureau Director	-0.30		
Consumer Protection Investigator	-13.65		
Consumer Specialist	-12.00		
Division Administrator	-1.00		
Executive Staff Assistant	-0.75		
Legal Secretary			1.50
Program & Planning Analyst	-0.75		
Program Assistant	-8.65		
Regional Compliance Investigator			2.00
Supervisor	-3.25		
Unspecified Positions		26.00*	
Telephone Solicitation	<u>-5.50</u>	<u>5.50</u>	<u> </u>
Total Positions	-45.85	31.50	9.30

* Specific position classifications to be created in, or transferred to, DOJ have not been identified.

Transfer Department of Health and Family Services' authority and related administrative rules for fitness center staff requirements under s. 100.178 of the statutes and all of DATCP's statutory authority and related administrative rules for the following sections to DOJ:

100.15	Regulation of trading stamps
100.16	Selling with pretense of prize; in-pack chance promotion exception
100.17	Guessing contests
100.171	Prize notices
100.173	Ticket refunds
100.174	Mail-order sales regulated
100.175	Dating service contracts
100.177	Fitness center and weight reduction center contracts
100.18	Fraudulent representations
100.182	Fraudulent drug advertising
100.20	Methods of competition and trade practices
100.205	Motor vehicle rustproofing warranties
100.207	Telecommunications services
100.208	Unfair trade practices in telecommunications
100.209	Cable television subscriber rights
100.2095	Labeling of bedding
100.28	Sale of cleaning agents and water conditioners containing phosphorus
100.31	Unfair trade practices in drug pricing
100.37	Hazardous substances act
100.38	Antifreeze
100.41	Flammable fabrics
100.42	Product safety
100.43	Packaging standards; poison prevention
100.44	Identification and notice of replacement part manufacturer

100.46	Energy consuming products
100.50	Products containing or made with ozone-depleting substances
100.52	Telephone solicitations
Chap 136	Future service plans
Chap 344	Vehicle financial responsibility
Chap 704	Landlord and tenant; self-service storage facilities
Chap 707	Timeshares
Chap 779	Prepaid Maintenance Liens

The authority to enforce these laws is transferred to DOJ or jointly to DOJ and district attorneys. Also, remove DATCP's authority to be represented by its attorneys or to appoint special counsel to prosecute or assist in the prosecution of all cases arising under Chapter 100 of the statutes, except for s. 100.206 (music royalty collections; fair practices), s. 100.21 (substantiation of energy savings or safety claims), 100.30 (unfair sales act) and 100.51 (motor fuel dealerships). Further, transfer the authority to commence a court action for milk payment audits, discrimination in the payment of milk and unfair trade practices in the dairy industry from DATCP to DOJ (the bill does not affect DATCP's authority to administer these rules).

Extend the consumer protection assessments (in an amount equal to 25% of the fine or forfeiture imposed) for violations of Chapter 133 of the statutes (such as creating a monopoly or an unfair or discriminatory business practice that hampers competition) beginning with violations that occur on the general effective date of the budget. Require that DOJ, instead of DATCP, be awarded consumer protection assessments on all fines and forfeitures for violations under Chapters 100 (marketing; trade practices) and 133 (trusts and monopolies) or corresponding rules or ordinances. Provide DOJ with a new, annual PR appropriation and require that any revenue received from consumer protection assessments under Chapters 100 and 133 be deposited into it, with revenue in excess of \$375,000 per fiscal year being deposited into the general fund. Under the bill, assessment amounts imposed for violations of weights and measures regulation under Chapter 98 (or rules or ordinances promulgated under Chapter 98) would continue to be deposited in DATCP's consumer protection information and education PR appropriation, with assessments in excess of \$185,000 per fiscal year being deposited in the general fund.

On October 1, 2003 (or on the first day of the third month beginning after publication, whichever is later), transfer the assets, liabilities and obligations primarily associated with the transferred consumer protection functions from DATCP to DOJ. Further, transfer all tangible personal property, records, pending matters, contracts and contract responsibilities relating to transferred consumer protection provisions and specify that all rules and orders relating to the transferred consumer protection provisions remain in effect until their specified expiration date or until modified or rescinded by DOJ. Provide that if the Departments were unable to agree on an equitable division, the Secretary of Administration would settle the dispute.

Further, delete the requirement that two of the nine members on the DATCP Board be consumer representatives. Instead, specify that the board shall consist of nine members with an agricultural background. Allow that any member who is serving as a consumer representative

on the DATCP board the day before the effective date be allowed to continue to serve as a board member until his or her successor is appointed and qualified.

Rename the Department of Agriculture, Trade and Consumer Protection the Department of Agriculture, Trade and Rural Resources, and require the necessary changes in the statutes to reflect this name change.

DATCP would retain authority for regulation of various trade practices under Chapter 100 of the statutes, including the following:

100.01	Produce wholesalers, unfair conduct, liability for damages
100.02	Commission merchants, duties, must account
100.025	Classification of dairy heifer calves
100.04	Livestock productions contracts
100.05	Butter and cheese manufacturers; accounts accessible
100.057	Wisconsin cheese logotype
100.07	Milk payments; audits
100.12	Refusal of commission merchant to furnish without statement of transaction prima facie evidence of gambling
100.14	Uniform labels and trademarks
100.183	Fraud, advertising foods
100.184	Advertising foods for sale
100.186	Linseed oil, white lead zinc oxide, turpentine; standards; sale
100.19	Distribution methods and practices
100.201	Unfair trade practices in the dairy industry
100.202	Contracts in violation void
100.206	Music royalty collections; fair practices
100.21	Substantiation of energy savings or safety claims
100.22	Discrimination in purchase of milk prohibited
100.23	Contract to market agricultural products; interference prohibited
100.235	Unfair trade practices in procurement of vegetable crops
100.24	Revocation of corporate authority
100.265	List of gasohol and alternative fuel refueling facilities
100.27	Dry cell batteries containing mercury
100.285	Reduction of toxics in packaging
100.29	Sale of nonrecyclable materials
100.295	Labeling of recycled, recyclable or degradable products
100.297	Plastic container recycled content
100.30	Unfair sales act (minimum markup)
100.33	Plastic container labeling
100.35	Furs to be labeled
100.36	Frauds; substitute for butter; advertisement
100.45	Mobile air conditioners
100.47	Sales of farm equipment
100.48	Hour meter tampering
100.51	Motor fuel dealerships

Joint Finance/Legislature: Delete provision. Instead, delete \$961,000 GPR annually and

13.35 GPR positions from DATCP (the same net reductions as under the bill, except the division administrator and corresponding funding is not eliminated from DATCP and \$210,000 GPR that would have been provided to DOJ for transfer and supplies costs is eliminated). This restores \$1,445,400 GPR and \$67,900 PR and 26.35 GPR and 0.65 PR positions annually to DATCP, along with base level telephone solicitation resources and responsibilities (\$283,500 PR annually and 5.5 PR positions). Require DATCP to submit a plan, which includes the classification and location of staff to be eliminated and the supplies, permanent property or other costs proposed to be reduced or eliminated, to the Joint Committee on Finance for its approval under a 14-day passive review procedure by November 1, 2003, detailing the agency's proposed implementation of consumer protection reductions required under the bill.

In addition, create a consumer protection assessments PR appropriation in DATCP and provide that when a court fails to impose a consumer protection assessment (25% of fines and forfeitures imposed for statutory, rule and ordinance violations under Chapters 98 and 100) as required under current law, in a case filed by DOJ under Chapter 100 of the statutes, the Secretary of Administration transfer to this appropriation, from Department of Justice GPR state operations sum certain appropriations, an amount equal to the unassessed consumer protection assessment. This provision would first apply to cases filed by DOJ after the effective date of the bill. Beginning in 2003-04, DATCP would be required to report to the DOA Secretary the value of unassessed consumer protection assessments from the previous fiscal year before the August 1 immediately following the fiscal year. The Secretary of Administration would be required to transfer any required funds to DATCP's consumer protection assessments appropriation before the September 1 immediately following DATCP's August 1 deadline.

Further, provide that the amount of consumer protection surcharge revenue that may be credited to DATCP's consumer protection, information and education PR appropriation and its consumer protection assessments PR appropriation may not exceed \$375,000 annually. Revenues in excess of \$375,000 in a year would accrue to the general fund.

Veto by Governor [B-6, B-7 and C-30]: Delete the provision that requires DATCP to submit a plan detailing its proposal for the consumer protection reductions required by the Act (-\$961,000 GPR annually and -13.35 GPR positions) to the Joint Committee on Finance for review. Further, delete the consumer protection assessments PR appropriation created in DATCP and the provision that specifies the transfer of funds from DOJ to DATCP in instances where a court fails to impose a consumer protection assessment for violations under Chapters 98 and 100 of the statutes. In addition, delete the provision that increases the amount of revenue that may be deposited into DATCP's consumer protection, education and information appropriation from \$185,000 to \$375,000 (the maximum annual deposit remains at \$185,000).

Under the Governor's vetoes, the only change from prior law is the elimination of \$961,000 GPR annually and 13.35 GPR positions related to the administration and enforcement of DATCP's consumer protection duties.

[Act 33 Vetoes Sections: 286 (as it relates to s. 20.115(1)(km)), 287p, 1815d, 1817d, and 9104(3x)]

10. DEBT SERVICE REESTIMATES [LFB Paper 195]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$5,642,200	- \$1,662,100	\$3,980,100

Governor: Provide \$1,435,300 GPR in 2003-04 and \$4,206,900 GPR in 2004-05 for debt service estimates for general obligation bonds issued for the following purposes: (a) \$200 in 2003-04 and -\$1,600 in 2004-05 for animal health facilities; (b) \$1,298,300 in 2003-04 and \$3,878,000 in 2004-05 for the conservation reserve enhancement program and (c) \$136,800 in 2003-04 and \$330,500 in 2004-05 for the soil and water resource management program.

Joint Finance/Legislature: Delete \$828,500 GPR in 2003-04 (a decrease of \$928,300 for the conservation reserve enhancement program and an increase of \$99,800 for the soil and water resource management program) and delete \$833,600 GPR in 2004-05 (a decrease of \$962,400 GPR for the conservation reserve enhancement program and an increase of \$128,800 GPR for the soil and water resource management program) for reestimated debt service costs.

11. SOIL AND WATER RESOURCE MANAGEMENT PROGRAM [LFB Paper 563]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$0	- \$1,000,000	- \$1,000,000
BR	\$7,000,000	\$0	\$7,000,000

Governor: Provide an increase in general obligation bonding of \$7,000,000 for the soil and water resource management program. Bonding revenue would be used to provide cost share grants to counties for land and water resource management projects and animal waste best management practices. \$13,575,000 in bonding is currently authorized to DATCP for these activities.

Joint Finance/Legislature: Approve the Governor's recommendation. Further, delete \$500,000 GPR annually from DATCP's soil and water management program GPR appropriation. This would represent a 5% reduction in funding provided to DATCP for its soil and water resource management grant program and would leave DATCP with \$5,081,900 GPR and \$3,725,100 SEG in funding (for a total of \$8,807,000 annually) for this program. Funds are used by DATCP primarily to provide local (county) staffing grants, but may also be used for grants to landowners for the installation of nonpoint source water pollution abatement best management practices.

[Act 33 Section: 686]

12. AGRICULTURAL CHEMICAL PROGRAM [LFB Papers 152 and 571]

	Governor (Chg. to Base)		Jt. Finance./Leg. (Chg. to Gov)		Veto (Chg. to Leg)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions	Funding	Positions
SEG-REV	\$391,000	0.00	\$2,223,000	0.00	-\$2,614,000	0.00	\$0	0.00
SEG	-\$573,000	- 4.00	-\$1,277,200	0.00	\$0	0.00	-\$1,850,200	- 4.00

Governor: Delete \$154,600 for supplies in 2003-04 and \$418,400 and 4.0 SEG positions in 2004-05 from the agrichemical management (ACM) fund general operations appropriation. The following funding reductions are included in 2004-05: \$203,600 in permanent salaries, \$85,600 in fringe benefits and \$129,200 in supplies and services.

Further, effective with products distributed beginning July 1, 2003, increase the fertilizer tonnage fees, which are deposited to the ACM fund, from 30¢ to 45¢ per ton for fertilizer sold or distributed, with a minimum fee of \$25. Also, effective with products distributed beginning January 1, 2004, increase the commercial feed inspection fees from 23¢ to 30¢ per ton of commercial feed distributed in the state.

In addition, increase the fertilizer tonnage surcharge from 38¢ to 88¢ per ton for fertilizer sold or distributed in the state unless DATCP establishes a lower surcharge by rule. This surcharge is deposited to the agricultural chemical cleanup program (ACCP) fund. The 50¢ per ton fee increase would be expected to generate additional revenues of \$650,000 annually. However, DATCP has currently established the fee at 38¢ in administrative rule and would need to promulgate a revised rule to increase the fee. Further, for costs incurred beginning January 1, 2004, lower the ACCP reimbursement rate from 80% to 75% of eligible agrichemical spill cleanup costs. This provision is expected to reduce cleanup awards by \$212,000 annually beginning in 2004-05. Require that the ACCP fund end the fiscal year with a balance of not more than \$5 million (rather than at least \$2 million but not more than \$5 million currently). Fee changes under the bill are shown in the following table.

	<u>Current Fee</u>	<u>Bill Fee</u>	<u>Fund</u>	<u>FY 04 Revenue</u>	<u>FY 05 Revenue</u>
Fertilizer (per ton)	30¢	45¢	ACM	\$0	\$195,000
Commercial feed (per ton)	23	30	ACM	0	196,000
Fertilizer surcharge (per ton)*	38	88	ACCP	0	0

*The fee shown is the statutory maximum. DATCP may establish a lower fee by administrative rule.

As of December 1, 2003, before the start of a license year, require a pesticide manufacturer or labeler applicant to estimate the gross revenues that the applicant will receive from sales of each pesticide product during the 12 months ending on September 30 of the calendar year for which a license is sought (the payment period) and to pay household, nonhousehold, industrial and wood preservative fees and surcharges based on that estimate. That is, calendar year 2004

license fees would be based on sales from October 1, 2003, through September 30, 2004. At least 15 days before beginning to sell a new pesticide product in this state, require a licensee to estimate the gross revenues that the applicant will receive from sales of that pesticide product during the payment period in which the licensee begins to sell the pesticide product and to pay the fees and surcharges based on that estimate (rather than based on prior year sales under current law). Before the end of a license year, require a licensee to report to DATCP the gross revenues that the licensee received from sales of each pesticide product during the payment period that ended during the license year, and to reconcile the estimated payment made with the amounts actually due. Specify the following procedure for reconciling payments: (a) if the amount due based on actual sales is greater than the amount paid based on estimated sales, require the licensee to pay the additional amount due; (b) if the amount due based on actual sales is less than the amount paid based on estimated sales, allow the licensee to request DATCP to reimburse the licensee for the amount of the overpayment; and (c) if the amount due based on actual sales equals the amount paid based on estimated sales, require no action. Unless a licensee's payments are based on estimates of gross revenues from sales for each pesticide product that equal at least 90% of the licensee's gross revenues from sales of the pesticide product during the preceding year, require a licensee to pay a penalty equal to 20% of the surcharge adjustment if the adjustment payment is more than 20% of the total amount paid at the beginning of the year. Specify that this penalty is in addition to any late filing fee assessed by DATCP.

Joint Finance/Legislature: Delete the 15¢ fertilizer tonnage fee increase (the fee would remain at 30¢) and the 7¢ commercial feed inspection fee increase (the fee would remain at 23¢). Compared to the Governor's recommendation, this would reduce revenue deposited to the ACM by \$391,000 annually starting in 2004-05. Further, reduce the increase in the fertilizer tonnage surcharge from 50¢ to 25¢ (the fee increases to 63¢). This would reduce revenues deposited to the ACCP fund by \$325,000 (from \$650,000 to \$325,000) annually starting in 2005-06. Rather than specifying that the ACCP fund may not end a fiscal year with a balance of more than \$5 million, require that the ACCP not end a fiscal year with a balance of more than \$2.5 million.

Further, specify that DATCP may not collect or analyze samples of plants, soils, surface water, and/or groundwater for possible agrichemical contamination (under s. 94.73(12m)) before making a determination that probable cause exists that a discharge of hazardous substances under s. 292.11 has occurred at the site, and that either: (a) sufficient funds are available in the ACCP to pay a claim that may result from the testing; or (b) has reason to believe the discharge poses a significant risk to human health.

Also, reduce DATCP's agricultural chemical cleanup reimbursement appropriation to \$3,200,000 SEG in 2003-04 (a reduction of \$538,600) and \$3,000,000 SEG in 2004-05 (a reduction of \$738,600) in order to reflect estimated expenditures in the 2003-05 biennium.

Moreover, deposit all pesticide, fertilizer, and soil additive fees that are currently deposited in the environmental fund into the agrichemical management fund. This would increase revenues to the ACM by an estimated \$1,307,000 in each year of the biennium. The

following fees are currently deposited into the environmental fund: (a) a \$124 license fee for each household pesticide product that a manufacturer or labeler sells or distributes in the state; (b) a \$94 license fee for each industrial and non-household pesticide product that a manufacturer or labeler sells or distributes in the state; (c) a \$150 pesticide primary producer fee; (d) a 10¢ soil additive tonnage fee; and (e) a 10¢ fertilizer tonnage fee. A pesticide primary producer is a person who manufactures an active ingredient that is used to produce a pesticide.

In addition, create an appropriation in DNR funded from the agrichemical management fund whereby DNR could request expenditure authority from the Joint Committee on Finance under s. 13.10 if DNR takes action, or expects to take action, for an agricultural chemical cleanup under s. 94.73 (2m).

Under the bill, the ACM would be expected to have a July 1, 2005, balance of up to \$2.85 million.

Veto by Governor [B-4, B-5 and B-16]: Increase the maximum fertilizer tonnage surcharge from 63¢ to 86¢. The veto accomplishes this fee increase by modifying section 1745. This section would have changed the statutes to require "(a)n agricultural chemical cleanup surcharge of ~~38~~ 63 cents per ton" unless a lower surcharge is set by DATCP through administrative rule. By vetoing the strikethrough of the 8 in 38, and by vetoing the 3 in 63, Act 33 sets the fertilizer tonnage surcharge at 86¢ per ton, unless a lower surcharge is established by the Department through administrative rule. If DATCP changes the surcharge set in administrative rule to reflect the new statutory maximum fee, this fee increase would be expected to increase revenues deposited into the ACCP fund by an estimated \$624,000 annually starting in 2005-06.

Further, delete the provision that forbids DATCP from collecting and analyzing samples of plants, soils, surface water, and/or groundwater for possible agrichemical contamination unless the Department has probable cause to believe that a discharge occurred at the site and that either: (a) sufficient funds are available in the ACCP to pay a claim resulting from testing; or (b) DATCP has reason to believe the discharge poses a significant threat to human health.

In addition, delete the provision that would have transferred the deposit of all pesticide, fertilizer, and soil additive fees that are deposited into the environmental management account to the ACM (\$1,307,000 annually would continue to be deposited to the environmental fund). Under the Act, the ACM is expected to have a July 1, 2005 balance of approximately \$250,000.

Moreover, delete the provision that creates a SEG appropriation in DNR funded from the agrichemical management fund for any agricultural chemical cleanup actions taken by DNR under certain emergency situations or at the request of DATCP.

[Act 33 Sections: 1745, 1746 thru 1750, 1754, 1755, 1756, 9304(1), and 9404(1)&(2)]

[Act 33 Vetoed Sections: 286 (as it relates to s. 20.370(2)(dx)), 402k, 855p, 855q, 855r, 855s, 855t, 855x, 1745, 1745d, 1745i, 1745L, 1750c, 1750e, 1750f, 1750g, 1750j, 1750L, 1755q, and 2475r]

13. AGRICULTURAL CLEAN SWEEP PROGRAM [LFB Paper 570]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$0	\$300,000	\$300,000

Governor: Transfer funding of agricultural chemical and pesticide collection grants (the agricultural "clean sweep" program) from the agrichemical management fund to the recycling fund. This program pays for the collection and disposal of unwanted fertilizer and agricultural chemicals and would be appropriated \$560,400 SEG annually. The source of this appropriation would switch from the agrichemical management fund currently (revenue from a variety of fertilizer, pesticide and commercial feed fees), to the recycling fund under the bill (revenue from a recycling surcharge on businesses and a tipping fee on certain solid waste disposed of in Wisconsin landfills).

Joint Finance/Legislature: Adopt the Governor's recommendation. In addition, transfer \$150,000 SEG annually in expenditure authority for the household clean sweep grant program from the environmental fund to the recycling fund (to consolidate all clean sweep funding in one DATCP recycling fund appropriation). Further, transfer administration of the household clean sweep program from DNR to DATCP and specify that DATCP administer the program under existing administrative rules until DATCP promulgates a new rule. Fund this program from DATCP's clean sweep grants appropriation (which will also fund DATCP's agricultural clean sweep program) and provide \$150,000 SEG annually to reflect this change. Total funding for clean sweep grants would be \$710,400 recycling SEG annually.

[Act 33 Sections: 289, 290, 1741, and 9104(3z)]

14. GYPSY MOTH SUPPRESSION

PR	\$1,478,400
FED	- 2,481,600
Total	- \$1,003,200

Governor/Legislature: Request \$739,200 PR annually for the Department's gifts and grants appropriation, to align expenditure authority with available revenues. The bill would provide \$764,200 annually. In 2001-02, \$572,900 PR was expended from this appropriation. In addition, delete \$1,240,800 FED annually related to USDA grants for agricultural resource management. This would reduce spending authority to \$911,600 annually for this appropriation, that had expenditures of \$662,100 in 2001-02. These reestimates reflect a change in the source of the provider of DATCP's federal gypsy moth suppression funds. In the past, these funds were received by DATCP directly from the federal government. Instead, the federal government now grants these funds to the Slow the Spread Foundation, who then provides the funds to DATCP as program revenues. The bill would increase PR spending authority for gypsy moth suppression purposes, while reducing unneeded FED spending authority.

15. GRAIN INSPECTION PROGRAM [LFB Paper 153]

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
PR	-\$1,392,800	- 12.68	\$80,600	1.45	-\$1,312,200	- 11.23

Governor: Delete \$696,400 PR and 12.68 positions (that were vacant as of February 22, 2003) annually from the grain inspection and certification program in order to bring expenditure authority in line with available revenues. This would leave \$2,212,000 PR in expenditure authority annually. In 2001-02, DATCP spent \$2,532,100 from this appropriation. Through a cooperative agreement with the USDA, the state inspects grain shipments at Great Lakes ports in Milwaukee and Superior and at the Mississippi River port of Prairie du Chien.

Joint Finance/Legislature: Restore \$40,300 PR annually and 1.45 positions. A technical error attributed these reductions to DATCP's grain inspection program rather than the intended fruit and vegetable program. The correction reflects DATCP's intent to delete \$656,100 PR annually and 11.23 positions from the grain inspection program.

16. FRUIT AND VEGETABLE INSPECTION [LFB Paper 153]

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
PR	-\$638,200	- 10.05	-\$80,600	- 1.45	-\$718,800	- 11.50

Governor: Delete \$319,100 PR annually and 10.05 PR positions (that were vacant as of February 22, 2003) from the fruit and vegetable inspection program. This would leave the program with \$1,067,200 annually and 14.0 positions. In 2001-02, DATCP had expenditures of \$1,165,600 in this appropriation. These reductions reflect, in part, the closing of two fruit and vegetable plants in the last year and decreased production schedules for four of the remaining nine plants, reducing the need for state inspectors.

Joint Finance/Legislature: Delete an additional \$40,300 PR annually and 1.45 positions. A technical error attributed these reductions to DATCP's grain inspection program rather than the intended fruit and vegetable program. The correction reflects DATCP's intent to delete \$359,400 PR annually and 11.5 positions from the fruit and vegetable inspection program.

17. FOOD REGULATION LAPSE TO THE GENERAL FUND

	<u>Governor</u> <u>(Chg. to Base)</u>	<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov)</u>	<u>Net Change</u>
	<u>Funding</u>	<u>Funding</u>	<u>Funding</u>
GPR-REV	\$851,800	-\$249,400	\$602,400

Governor: Lapse \$425,900 annually from the food regulation PR appropriation account to the general fund. The food regulation appropriation is expected to have a July 1, 2003, balance of about \$1.9 million. Expenditures are estimated at \$3.6 million in 2002-03 while revenues are expected to total \$3.4 million. Fees are derived from a variety of producer and licensing fees, including food product inspection fees, dairy and cheese plant, milk hauler and producer license fees, food warehouse and processing plant fees, and food establishment fees.

Joint Finance/Legislature: Reduce the required lapse by \$124,700 annually. The required lapse would be \$301,200 each year.

Veto by Governor [D-3]: The Governor partially vetoed the provision so as to allow DATCP to submit an alternative plan to the Secretary of Administration for the allocation of the lapse amounts. After reviewing the plan, the Secretary would have the authority to implement it.

[Act 33 Section: 9260(1)]

[Act 33 Vetoed Section: 9260(1)]

18. MILK CERTIFICATION PROGRAM TRANSFER

Funding Positions		
PR	\$724,200	4.80

Governor/Legislature: Provide \$362,100 PR annually and 4.8 PR positions, beginning in 2003-04 to reflect the transfer of the milk certification program from DHFS to DATCP on the bill's general effective date. The bill deletes an equal amount of GPR from DHFS related to the program. Further, transfer from DHFS to DATCP related authority to promulgate administrative rules to charge dairy plant fees to fund the program. While DATCP could increase dairy plant fees by rule to fund the program, administration officials indicate the intent is for DATCP to fund this program from existing program fees in the 2003-05 biennium. No fees are currently charged by DHFS related to this program. The bill would place the program under DATCP's food regulation authority, funded from a variety of producer and licensing fees, including milk certification fees, food product inspection fees, dairy plant and producer license fees, food warehouse and processing plant fees, and food establishments fees. Replace current statutory references to DHFS with references to DATCP with respect to the program.

[Act 33 Sections: 1757, 1758, 2453m, 2454, and 9124(5)]

19. FOOD SAFETY REESTIMATES

Funding Positions		
FED	- \$250,400	- 4.25
PR	<u>30,000</u>	<u>0.00</u>
Total	- \$220,400	- 4.25

Governor/Legislature: Request the deletion of the following annual amounts to bring spending authority in line with projected federal funds: (a) \$86,400 and 2.5 positions (that as of February 22, 2003, were vacant) related to the federal food safety appropriation; and (b) \$38,800 and 0.75 position from the federal agricultural services food safety appropriation.

Further, delete 1.0 FED position from the federal marketing services appropriation that had served as an advocate in the client assistance program before federal funding was terminated in 2000. Also, increase funding for food regulation related services by \$15,000 PR annually, which would be used for increased supplies and services for the meat inspection program.

20. DAIRY POSITION REALLOCATION TO AGRICULTURAL PRODUCER SECURITY

Funding Positions		
PR	- \$48,400	- 0.40
SEG	48,400	0.40
Total	\$0	0.00

Governor/Legislature: Transfer \$24,200 annually and a 0.4 trade practices analyst position from dairy trade regulation program revenue fees to the segregated agricultural producer security fund. This position participates in the Agricultural Producer Security (APS) program implementation, provides analysis, and acts as a liaison with agricultural producers.

21. PET REGULATION [LFB Paper 154]

Governor: Delete the requirement that DATCP regulate pet breeders, pet dealers, kennels and animal shelters and that DATCP establish animal shelter and kennel license fees by administrative rule. The repeal would take effect February 1, 2004 (the date the provision becomes effective under 2001 Act 16).

Act 16 (the 2001-03 budget act) includes provisions for new DATCP inspection and licensing requirements for animal shelters, kennels, pet dealers and pet breeders and requiring DATCP to establish license fees by rule, effective February 1, 2004. The bill would repeal these provisions. Further, as passed by the Legislature, the 2001-03 biennial budget would have increased various dog license taxes and provided \$271,100 PR with 7.0 PR positions in 2002-03 for DATCP to administer the program. The Governor item-vetoed the fee increases and related DATCP funding for the program in Act 16.

The bill would repeal the following provisions, which would become effective February 1, 2004, under current law.

Require DATCP to promulgate rules specifying fees for pet dealer, pet breeder, animal shelter and kennel licenses and provide that the fees are not refundable if DATCP denies the license. Further, require these nontransferable licenses to expire on October 31 of each even-numbered year. Before issuing an initial license, and at least once during each biennial licensing period thereafter, require DATCP to inspect each licensed location and allow DATCP, at any reasonable time, to enter and inspect any facility at which a person is required to have a license.

Prohibit a person from operating an animal shelter without a DATCP license for each separate location at which an animal shelter is operated, unless the Department issues an interim permit that authorizes operation until DATCP can make an initial inspection. Define an animal shelter as either: (a) a facility that is used to impound or harbor at least 25 seized, stray, abandoned, or unwanted dogs, cats or other animals in a year and that is operated by the state,

a political subdivision or a veterinarian licensed by the Veterinary Examining Board; or (b) a facility that is operated for the purpose of providing for and promoting the welfare, protection and humane treatment of animals, that is used to shelter at least 25 animals in a year, and that is operated by a humane society, an animal welfare society or a nonprofit association.

Prohibit a person from operating a kennel without a DATCP license for each separate location at which a kennel is operated, unless the Department issues an interim permit that authorizes operation until DATCP can make an initial inspection. Define a kennel as a facility where dogs or cats are kept for 24 hours or more for boarding, training or similar purposes for compensation, except a kennel would not include an animal shelter or a facility owned or operated by a licensed veterinarian solely for the provision of veterinary care.

Prohibit a pet dealer (a person who sells, or offers to sell at retail, exchanges, or offers for adoption at least 25 mammals, other than cattle, horses, swine, sheep, goats, deer, llamas and related species, including game species, as pets in a year) from operating without a DATCP license for each separate location at which they conduct such business, unless the Department issues an interim permit that authorizes operation until DATCP can make an initial inspection. Further, prohibit a pet breeder (one who sells at least 25 dogs or cats for resale as pets in a year, except a breeder does not include a pet dealer) from operating without a DATCP license for each separate location at which they conduct such business, unless the Department issues an interim permit that authorizes operation until DATCP can make an initial inspection.

Allow DATCP to promulgate rules specifying minimum standards for animal shelter and kennel facilities and facilities at which pet dealers and pet breeders operate, and specifying any of the following for persons required to obtain an animal shelter, kennel, pet dealer or pet breeder license: (a) minimum requirements for humane care; (b) requirements relating to the transportation of animals; (c) grounds for license revocation; (d) grounds for DATCP to issue orders prohibiting the selling or moving of an animal; (e) minimum ages for the sale of animals; (f) reinspection fees to be charged when a DATCP inspection reveals conditions that require correction and reinspection; (g) requirements for record keeping; and (h) requirements relating to space and opportunity for exercise to be provided to animals.

Joint Finance/Legislature: Delete provision. Rather, eliminate the requirement that DATCP license and biennially inspect pet shelters, kennels and pet dealers. Allow (rather than require, currently) DATCP to inspect pet breeders in instances where the Department has reason to suspect human or animal health violations exist, or when alerted to a potential health hazard or violation by a source outside the Department. Require DATCP to license pet breeders and to set fees by rule.

Further, redefine a pet breeder as one who sells at least 50 dogs or cats for resale as pets in a year, except a breeder does not include a pet dealer (which is defined as a person who sells, or offers to sell at retail, exchanges or offers for adoption at least 25 mammals, other than cattle, horses, swine, sheep, goats, deer, llamas and related species, including game species, as pets in a year).

This provision would eliminate all of DATCP's pet facility inspection and licensing responsibilities for pet dealers, animal shelters and kennels under current law. Instead, the

Department would be required to license pet breeders, as they would be redefined, and perform inspections, at DATCP's discretion, where the Department has reason to suspect human or animal health violations exist, or when alerted to a potential health hazard or violation by a source outside the Department.

Veto by Governor [B-2]: Repeal the entire pet breeder, pet dealer, kennel and animal shelter statute, thereby eliminating DATCP's expanded pet regulation and animal shelter responsibilities that had been created under 2001 Act 16. The veto accomplishes the repeal by deleting all modifications of the 2001 Act 16 provisions contained in the bill, except for section 2120bb. This section would have repealed section 173.40 (1) (c) of the statutes. However, by vetoing the "(1) (c)" from the bill, Act 33 repeals section 173.40 (the pet regulation provision) in its entirety.

[Act 33 Sections: 2120bb and 9404(4)]

[Act 33 Vetoed Sections: 2120b, 2120bd, 2120bf, 2120bh, 2120bj, 2120bL, 2120bn, 2120bp, 2120br, 2120bt, 2120bv, 2120bw, and 9404(4)]

22. TELEPHONE SOLICITATION [LFB Paper 155]

GPR-REV	\$600,000
PR	\$507,800

Joint Finance/Legislature: Specify that \$600,000 from the DATCP telephone solicitation program revenue account lapse to the general fund on the effective date of the act. In addition, provide an additional \$208,700 PR in 2003-04 and \$299,100 PR in 2004-05 to reflect estimated expenditures for the no-call program (\$492,200 PR in 2003-04 and \$582,600 PR in 2004-05). Moreover, convert the telephone solicitation appropriation from continuing to annual.

Funding for the no-call program comes from fees paid by businesses that solicit consumers via telephone. Fee revenues under administrative rule ATCP 127 were initially estimated at approximately \$470,000 in 2002-03 and \$550,000 annually thereafter. Through mid-May of 2003, revenue from the program totaled \$1.3 million. Although ATCP 127 allows DATCP to uniformly reduce or suspend fees if excess revenues are generated, the agency had taken no action to do so.

Under a continuing appropriation, all monies received may be expended by the agency with the approval of DOA, and the appropriation amount listed in the statutes reflects the best estimate of expenditures. Under an annual PR appropriation the agency may only expend the amount appropriated in the statutes unless additional funding is provided through legislation or by the Joint Committee on Finance through the 14-day passive review procedure under s. 16.515 of the statutes.

Veto by Governor [B-8]: Delete the provision that converts DATCP's telephone solicitation appropriation from continuing to annual.

[Act 33 Section: 9204(3x)]

[Act 33 Vetoed Sections: 286 (as it relates to s. 20.115(8)(jm)) and 291n]